

**One Hundred Fifth Legislature - Second Session - 2018**

**Introducer's Statement of Intent**

**LB1020**

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**Chairperson: Senator Justin Wayne**

**Committee: Urban Affairs**

**Date of Hearing: February 06, 2018**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1020 would clarify provisions relating to direct borrowing from a financial institution by cities and villages to (a) allow loans to be repaid in installment payments for a term not to exceed seven years; (b) extend the limitation on the total amount of indebtedness from direct borrowing by a city of the second class to 20 percent (was 10 percent) of the municipal budget of the city; and (c) provide that the amount of any loan attributable in any one year to the limitation on the total amount of outstanding indebtedness from direct borrowing is the total amount of the outstanding loan balance divided by the remaining number of years over which the loan is to be repaid.

**Principal Introducer:** \_\_\_\_\_

Senator Sue Crawford